

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7078**

**BILL NUMBER:** HB 1341

**NOTE PREPARED:** Feb 25, 2004

**BILL AMENDED:** Jan 22, 2004

**SUBJECT:** Nonforfeiture Provisions of Annuity Contracts.

**FIRST AUTHOR:** Rep. Ripley

**FIRST SPONSOR:** Sen. Paul

**BILL STATUS:** As Passed Senate

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill amends the law concerning certain annuity contracts, including paid-up annuity benefits, lump sum settlements, and indexed minimum nonforfeiture rates.

**Effective Date:** July 1, 2004.

**Explanation of State Expenditures:** The Department of Insurance could incur some additional expense caused by the adoption of rules concerning adjustments to the calculation of minimum nonforfeiture amounts for annuities and administering the changes in the bill.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. The Department of Insurance had 14 vacant positions on January 15, 2004, budgeted at \$382,304 and reverted \$836,000 for FY 2003. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Insurance.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.